

UNIFIED SCHOOL DISTRICT NO. 461

Financial Statements
and
Supplemental Information

with Report of Independent Auditors

For the Year Ended June 30, 2011

Unified School District No. 461
Neodesha, Kansas
Special Financial Statements
For the Fiscal Period Ended June 30, 2011

INTRODUCTORY SECTION

Title Page	
Table of Contents	

FINANCIAL SECTION

Independent Auditor's Report	1-2
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statements	5-13

SUPPLEMENTARY INFORMATION

Schedule 1	
Summary of Expenditures - Actual and Budget	14
Schedule 2	
Statement of Receipts and Expenditures - Actual and Budget - Individually Presented by Fund	
General Fund	15-17
Special Revenue Funds	
Supplemental General Fund	18-19
At-Risk (4 Year Old)	20
At-Risk (K-12)	21
Capital Outlay Fund	22
Driver Training Fund	23
Food Service Fund	24
Professional Development Fund	25
Parent Education Fund	26
Special Education Fund	27
Vocational Education Fund	28
KPERs Fund	29
Contingency Reserve Fund	30
Recreation Commission Fund	31
Technology Literacy Grant Fund	32
Special Mini-Grants Fund	33
ESEA Low Income Title I Fund	34
Improving Teacher Quality Grant Fund	35
English Language Acquisition	36
Drug Free Schools Fund	37
Debt Service Funds	
Bond and Interest Fund	38
Schedule 3	
Statement of Cash Receipts and Disbursements - Fiduciary Funds	39
Schedule 4	
Statement of Cash Receipts, Expenditures and Unencumbered Cash - District Activity Funds	40
Schedule 5	
Reconciliation of Expenditures	41

Unified School District No. 461
Neodesha, Kansas
Special Financial Statements
For the Fiscal Period Ended June 30, 2011

APPENDIX A

Auditor's Report on Compliance and Internal Control - Governmental Auditing Standards	42
Auditor's Report on Compliance and Internal Control - OMB Circular A-133	43 - 44
Schedule of Findings and Questioned Costs	45
Schedule of Expenditures of Federal Awards	46

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 461
Neodesha, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 461 Neodesha, Kansas, as of and for the year ended June 30, 2011. This financial statement is the responsibility of Unified School District No. 461's, management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Unified School District No. 461, has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the District's policy to prepare its financial statement on the basis of accounting discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 461 as of June 30, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 461, as of June 30, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2012, on our consideration of Unified School District No. 461's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statement. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the regulatory basis financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The accompanying schedule of expenditures of federal awards is presented in appendix A for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part Unified School District No. 461's regulatory basis financial statement. This information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 461, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

February 1, 2012

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Unified School District No. 461
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Year Ended June 30, 2011

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(3)	\$ 51	325	5,131,442	5,131,486	332	109,471	109,803
Supplemental General	(3)		192	1,456,952	1,457,144		661	661
Special Revenue:								
At Risk (4 Year Old)	(3)	13,361	4	39,747	35,693	17,419	2,109	19,528
At Risk (K-12)		2,862		513,584	488,587	27,859	46	27,905
Capital Outlay		960,600		37,532	61,347	936,785		936,785
Driver Training		5,794		4,752	5,275	5,271		5,271
Food Service		111,443		427,423	440,960	97,906		97,906
Professional Development		5,571		7,435	7,569	5,437	275	5,712
Parent Education Program		300		4,500	4,400	400		400
Special Education		89,481		733,959	766,859	56,581		56,581
Vocational Education		4,478		242,671	212,366	34,783	1,107	35,890
KPERS Special Retirement Contribution	(2)	(167,244)	(116,847)	471,887	397,332	(209,536)	209,536	
Contingency Reserve		270,390			39,982	230,408		230,408
Recreation Commission		8,594		54,401	58,000	4,995		4,995
Technology Literacy Challenge (Title II-D)				553	553			
Special Mini-Grants		101		4,218	2,540	1,779	237	2,016
Low Income ESEA (Title I)				163,361	163,361			
Improving Teacher Quality (Title II-A)				46,795	46,795			
English Language Acquisition - Title III				44,351	44,351			
Gate Receipts		2,192		41,413	34,482	9,123		9,123
Special Projects		29,524		28,445	22,303	35,666		35,666
Debt Service:								
Bond and Interest		221,215		387,428	381,583	227,060		227,060
Total Primary Government (1)		<u>1,558,713</u>	<u>(116,326)</u>	<u>9,842,849</u>	<u>9,802,968</u>	<u>1,482,268</u>	<u>323,442</u>	<u>1,805,710</u>
Composition of Cash:								
Cash Items								56
Cash on Hand								450
Community National Bank, Neodesha, Ks								306,342
Due from St of Ks (Recognized per KSA 10-1116a)								563,577
First Neodesha Bank, Neodesha, Ks								972,090
Less: Agency Funds per Statement 4							(	36,802)
Adjustment for Rounding							(	3)
Total Primary Government (1)								<u>1,805,710</u>

(1) Excluding Agency Funds

(2) Beg Bal Adjust - Prior Year encumbrances not recognized

(3) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1 **Summary of Significant Accounting Policies**

A. Reporting Entity

Principles Used in Determining Scope of Entity

Neodesha Unified School District No. 461 is a municipal corporation governed by an elected seven-member board. These financial statements present the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the school district for the year of 2011:

Governmental Funds:

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds--to account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the school district.

Capital Project Funds--to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

C. Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiver the requirement for application of generally accepted accounting and allowing the District to use the regulatory basis of accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended by the following amounts during the year ended June 30, 2011:

<u>Fund</u>	<u>Original Budget</u>	<u>Amended Budget</u>
General Fund	\$ 5,222,019	5,236,864
At-Risk (K-12) Fund	501,600	516,445

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the District:

ESEA Low Income Title I Fund	Improving Teacher Quality Grant Fund
Special Mini-Grants Fund	English Language Acquisition Fund
Contingency Reserve Fund	Gate Receipts Fund
Technology Literacy Grant Fund	Special Projects Fund

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name. The School District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The State of Kansas pays the employers share of Kansas Public Employee Retirement System (KPERS) for each unified school district throughout the state. The Kansas legislature, by statute, created a KPERS fund in each school district's accounting system. The State of Kansas automatically deposits then withdraws the KPERS amount attributable to each school district through each school district's KPERS fund once per quarter. School district personnel have no control concerning these deposit and withdrawal transactions. As of June 30, 2011, the State of Kansas had not deposited nor withdrawn the KPERS amount attributable to Neodesha Unified School District No. 461 in the amount of \$209,536. Since the liability was due and payable and the funds had not been received as of June 30, 2011, a cash basis violation resulted and is displayed as such in statement 1 in the amount of \$ (209,536). The State of Kansas subsequently deposited these funds in their entirety on July 12th and 15th in the amounts of \$90,589 and \$118,947 respectively.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

Deposits and Investments

As of June 30, 2011, the school district held no investments.

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 allows the school district to invest idle funds in time deposit-open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The school district has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the school district's deposits may not be returned to it. State statutes require the school district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

At June 30, 2011, the carrying amount of the school district's deposits was \$1,272,101 and the bank balance was \$1,916,171. Of the bank balance, \$577,726 was secured by federal depository insurance and the remaining \$1,338,445 was collateralized by securities held by the pledging financial institutions' agents in the school district's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured and the school district's investment policy requires 100% collateralization at all times.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles. The School has waived of compliance until June 30, 2011, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Long-term Debt

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2011 not including motor vehicle valuation was \$27,527,000. The resulting debt limit was \$3,853,780. The outstanding bonded indebtedness for debt limitation comparison purposes as of June 30, 2011 was \$1,695,000.

One General Obligation Bond issue (Series 2004) was outstanding as of June 30, 2011 and will mature through the year 2015. The series 2004 bonds were issued in the amount of \$2,840,000 with interest rates varying from 1.00% to 3.65%. The proceeds of these bonds were used to finance the partial advance refunding of the series 2000 bonds. Details of the issues are display in statement 6.

Prior-year defeasance of debt

In prior years, the District refunded general obligation bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2011, the defeased bonds outstanding are in the amount of \$ 1,695,000.

Changes in long-term liabilities for the fiscal year were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
<u>General Obligation Bonds:</u>										
Series 2004 - Refunding	1.0/3.625	3/8/2004	2,840,000	9/1/2015	2,060,000		320,000		1,740,000	61,582
<u>Capital Leases:</u>										
HVAC Controls	3.69%	6/30/2008	1,300,000	6/30/2018	1,076,229		118,116		958,113	39,713
Total Long-Term Debt					3,136,229	-	438,116	-	2,698,113	101,295

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

<u>Issue</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017/18</u>	<u>Totals</u>
<u>Principal:</u>							
<u>General Obligation Bonds:</u>							
Series 2004 - Refunding	330,000	335,000	350,000	355,000	370,000		1,740,000
<u>Capital Leases</u>							
HVAC Controls	122,377	126,990	131,676	136,535	141,528	299,007	958,113
Total Principal	452,377	461,990	481,676	491,535	511,528	299,007	2,698,113
<u>Interest:</u>							
<u>General Obligation Bonds:</u>							
Series 2004 - Refunding	52,558	42,580	31,613	19,625	6,706		153,082
<u>Capital Leases</u>							
HVAC Controls	35,451	30,839	26,153	21,294	16,300	16,650	146,687
Total Interest	88,009	73,419	57,766	40,919	23,006	16,650	299,769
Total Principal and Interest	540,386	535,409	539,442	532,454	534,534	315,657	2,997,882

Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 75-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Other Employee Benefits

Vacation and Sick Pay

The School District's policies regarding sick leave permit employees to earn ten days sick leave per year with no maximum accumulation. Employees may use up to a maximum of sixty days sick leave in one year. No compensation is paid for unused sick leave upon employment termination.

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 581,025
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	14,845
General Fund	Vocational Education Fund	K.S.A. 72-6428	224,994
General Fund	Food Service Fund	K.S.A. 72-6428	51,702
Supp. General	At-Risk (4 Year Old) Fund	K.S.A. 72-6433	39,746
Supp. General	At-Risk (K-12) Fund	K.S.A. 72-6433	498,738
Supp. General	Special Education Fund	K.S.A. 72-6433	152,934
Supp. General	Professional Development Fund	K.S.A. 72-6433	7,435
Supp. General	Parent Education Fund	K.S.A. 72-6433	4,500
Supp. General	Vocational Education Fund	K.S.A. 72-6433	13,991
Cont. Reserve	Supplemental General		39,982

Note 4 In-substance receipt in Transit

The District received \$563,577 subsequent to June 30, 2011, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2011. \$523,577 of these receipts were for the General Fund and \$40,543 for the Supplemental General Fund. The total of these amounts is displayed in the "Composition of Cash" as "Due from State of Kansas".

Note 5 Joint Ventures

The School District is a participant in a joint venture agreement with six other school districts for the operation of the Tri-County Special Education Cooperative. The Coop was formed under an inter-local agreement provided for by the Kansas Statutes. Each school district appoints one of its board members to serve as a member of the Coop governing board. Each school district's annual contribution to the coop is based one fourth each upon: (1) special education students FTE, (2) special education staff FTE, (3) total enrollment FTE, and (4) general fund budget. Each of the preceding four items are weighted by school district as a percentage of the total of that item for all participating school districts. The school district has an unrecorded value equity interest in the Coop which is based upon percentage of contribution. Complete separate financial statements for the Coop are available at the Tri-County Special Education Cooperative administrative office at Independence, Kansas. The annual operations contribution to the Coop for the 2011 fiscal year by Unified School District No. 461 was in the amount of \$176,143 which represents 9% of all contributions made by the seven participating school districts. In addition, State of Kansas flow-through to the special education coop was in the amount of \$259,376.

Note 6 Economic Dependency

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

	<u>Total</u>	<u>State</u>		<u>Federal</u>	
	<u>Revenue</u>	<u>Aid</u>	<u>%</u>	<u>Aid</u>	<u>%</u>
General Fund	5,131,442	3,885,842	75.7	260,484	5.1
Supplemental General	1,536,917	682,397	44.4		
Bond and Interest	387,428	129,738	33.5		
Other Funds	<u>2,796,629</u>	<u>858,279</u>	<u>30.7</u>	<u>516,303</u>	<u>18.5</u>
Total All Funds	<u>9,852,416</u>	<u>5,556,256</u>	<u>56.4</u>	<u>776,787</u>	<u>7.9</u>

Unified School District No. 461
Neodesha, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 7 **Summary Disclosure of Significant Contingencies**

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Unified School District No. 461
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2011

	Certified Budget	Legal Max. Adjustment	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:					
General	\$ 5,236,864	(105,378)	5,131,486	5,131,486	
Supplemental General	1,457,144		1,457,144	1,457,144	
Special Revenue:					
At Risk (4 Year Old)	37,100		37,100	35,693	1,407
At Risk (K-12)	516,445		516,445	488,587	27,858
Capital Outlay	730,000		730,000	61,347	668,653
Driver Training	9,300		9,300	5,275	4,025
Food Service	503,463		503,463	440,960	62,503
Professional Development	13,005		13,005	7,569	5,436
Parent Education Program	5,000		5,000	4,400	600
Special Education	823,440		823,440	766,859	56,581
Vocational Education	243,500		243,500	212,366	31,134
KPERS Special Retirement Contribution	397,484		397,484	397,332	152
Recreation Commission	58,000		58,000	58,000	
Debt Service:					
Bond and Interest	381,732		381,732	381,583	149
Totals	<u>10,412,477</u>	<u>(105,378)</u>	<u>10,307,099</u>	<u>9,448,601</u>	<u>858,498</u>

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

			Current Year		Variance Favorable (Unfavor)
			Prior Year Actual	Current Year Actual	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	553,147	411,776	485,170	(73,394)
Delinquent Taxes		7,645	8,493	9,438	(945)
Tuition			4,754		4,754
Miscellaneous		25	4		4
Total Revenue from Local Sources		560,817	425,027	494,608	(69,581)
Revenue from County Sources					
Revenue in Lieu of Taxes		4,451	3,110	2,357	753
Revenue from State Sources					
State Financial Aid		3,888,719	3,885,845	3,965,687	(79,842)
Mineral Production Tax		7,294	9,039	6,500	2,539
Special Education Aid		519,872	547,937	567,623	(19,686)
Total Revenue from State Sources		4,415,885	4,442,821	4,539,810	(96,989)
Revenue from Federal Sources					
Passed Through State of Kansas			165,797		165,797
ARRA Grant		255,701	94,687	94,687	
Total Revenue from Federal Sources		255,701	260,484	94,687	165,797
Total Cash Receipts		5,236,854	5,131,442	5,131,462	(20)
Expenditures and Transfers					
Instruction					
Certified Salaries		1,943,800	1,907,419	2,170,000	262,581
Non-Certified Salaries		63,121	46,808	66,000	19,192
Group Insurance			186,766		(186,766)
Social Security Contributions		155,926	145,623	160,000	14,377
Other Employee Benefits		8,644	16,319	10,000	(6,319)
Purchased Professional and Technical Services		1,016	2,442	2,000	(442)
Other Miscellaneous Purchased Services			770		(770)
Supplies and Materials		357	750		(750)
General Supplies and Materials		93,082	87,984	118,100	30,116
Textbooks		6,770	23,295		(23,295)
Miscellaneous Supplies		6,297	1,298		(1,298)
Property (Equipment & Furnishings)		20,252	193	18,100	17,907
Equipment		4,109			
Other		10,676	7,579	13,500	5,921
Total Instruction		2,314,050	2,427,246	2,557,700	130,454
Support Services - Students					
Certified Salaries		162,911	163,443	180,000	16,557
Non-Certified Salaries		15,253	10,080	20,000	9,920
Group Insurance			16,833		(16,833)
Social Security Contributions		13,066	12,726	20,000	7,274
Other Employee Benefits		702	1,226	1,000	(226)
Supplies and Materials		795	1,352	5,500	4,148
Other		650	4,963		(4,963)
Total Support Services - Students		193,377	210,623	226,500	15,877
Support Services - Instructional Staff					
Certified Salaries		57,238	56,587	64,000	7,413
Non-Certified Salaries		63,709	53,905	64,000	10,095
Group Insurance			20,340		(20,340)
Social Security Contributions		7,723	7,382	8,000	618
Other Employee Benefits		415	740	500	(240)
Books and Periodicals		16,830	16,338	16,200	(138)
Technology Supplies		1,396	2,227		(2,227)
Miscellaneous Supplies		1,688	2,038	3,000	962
Property (Equipment & Furnishings)		2,036	43,121	2,000	(41,121)
Other			180		(180)

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget Variance Favorable (Unfavor)
Total Support Services - Instructional Staff	\$	151,035	202,858	157,700 (45,158)
Support Services - General Administration				
Certified Salaries		100,784	104,091	114,100 10,009
Non-Certified Salaries		23,979	19,954	25,000 5,046
Group Insurance			7,635	(7,635)
Social Security Contributions		9,218	8,942	10,000 1,058
Other Employee Benefits		403	1,020	500 (520)
Purchased Professional and Technical Services		7,260	10,305	9,000 (1,305)
Insurance Services		223	14,708	2,000 (12,708)
Communication Services		1,237	1,911	4,000 2,089
Other Miscellaneous Purchased Services		5,315	11,509	14,200 2,691
Supplies and Materials		357	1,018	1,500 482
Other		22,798	20,702	22,000 1,298
Total Support Services - General Administration		171,574	201,795	202,300 505
Support Services - School Administration				
Certified Salaries		293,063	299,119	320,000 20,881
Non-Certified Salaries		113,650	95,566	120,000 24,434
Group Insurance			36,080	(36,080)
Social Security Contributions		29,385	28,497	35,000 6,503
Other Employee Benefits		1,427	2,778	1,500 (1,278)
Communication Services		5,321	5,293	9,000 3,707
Other Miscellaneous Purchased Services		6,230	6,555	11,000 4,445
Supplies and Materials		5,299	4,637	4,000 (637)
Other		624	929	3,000 2,071
Total Support Services - School Administration		454,999	479,454	503,500 24,046
Support Services - Plant Operation and Maintenance				
Non-Certified Salaries		333,328	280,068	345,000 64,932
Group Insurance			35,631	(35,631)
Social Security Contributions		22,063	20,940	24,000 3,060
Other Employee Benefits		986	12,080	1,000 (11,080)
Water/Sewer Services (Non-Energy)			2,203	(2,203)
Cleaning Services			706	(706)
Repairs and Maintenance Services		73,040		75,000 75,000
Repair of Buildings		82,106	33,082	82,000 48,918
Insurance Services			36,020	(36,020)
General Supplies and Materials		611	2,980	(2,980)
Heating			8,065	(8,065)
Electricity			29,811	(29,811)
Property (Equipment & Furnishings)		2,196	22,347	(22,347)
Other			220	(220)
Total Support Services - Plant Operation and Maintenance		514,330	484,153	527,000 42,847
Vehicle Operation Services				
Non-Certified Salaries		49,508	38,289	51,000 12,711
Group Insurance			4,077	(4,077)
Social Security Contributions		2,987	2,510	3,400 890
Other Employee Benefits		2,219	1,827	2,000 173
Insurance Services		3,807	14,912	5,000 (9,912)
Motor Fuel		31,149	33,589	50,000 16,411
Equipment			33,926	(33,926)
Other		6,403	4,773	8,000 3,227
Total Vehicle Operation Services		96,073	133,903	119,400 (14,503)
Supervision Services				
Non-Certified Salaries		3,900	3,900	(3,900)
Social Security Contributions		127	105	(105)
Equipment		82		
Total Supervision Services		4,109	4,005	(4,005)

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Vehicle Servicing and Maintenance Services				
Non-Certified Salaries	\$		131	4,000
Social Security Contributions			10	200
Other Employee Benefits			1	(1)
Purchased Professional and Technical Services		25,685	18,867	27,000
Total Vehicle Servicing and Maintenance Services		25,685	19,009	31,200
Support Services - Business				
Non-Certified Salaries		65,938	59,865	67,000
Group Insurance			6,933	(6,933)
Social Security Contributions		4,073	4,028	5,000
Other Employee Benefits		175	561	200
Purchased Professional and Technical Services		2,592		3,000
Purchased Property Services			13,633	(13,633)
Other Purchased Services		10,143	9,442	13,000
Supplies and Materials		185	1,302	2,000
Other			110	500
Total Support Services - Business		83,106	95,874	90,700
Fund Transfers				
Food Service			51,702	(51,702)
Professional Development		8,000		
Special Education		767,270	581,025	581,025
Vocational Education		74,729	224,994	224,994
Contingency Reserve		100,000		
At Risk (K-12)		278,500	14,845	14,845
Total Fund Transfers		1,228,499	872,566	820,864
Budget Adjustments				
Legal Max Adjustment				(105,378)
Total Expenditures and Transfers		5,236,837	5,131,486	5,131,486
Receipts Over (Under)				
Expenditures and Transfers		17	(44)	
Unencumbered Cash, Beginning		34	51	
Prior Year Encumbrances Cancelled			325	
Unencumbered Cash, Ending		51	332	

Unified School District No. 461
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 4 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 665,530	645,603	690,826	(45,223)
Delinquent Taxes	13,811	23,197	11,328	11,869
Reimbursements	5	650		650
Total Revenue from Local Sources	<u>679,346</u>	<u>669,450</u>	<u>702,154</u>	<u>(32,704)</u>
Revenue from County Sources				
Motor Vehicle Tax	57,594	59,924	66,286	(6,362)
Recreational Vehicle Tax	1,437	1,364	1,407	(43)
Revenue in Lieu of Taxes	5,052	3,836	2,667	1,169
Total Revenue from County Sources	<u>64,083</u>	<u>65,124</u>	<u>70,360</u>	<u>(5,236)</u>
Revenue from State Sources				
Supplemental State Aid	666,325	682,396	684,630	(2,234)
Revenue from Federal Sources				
ARRA Grant	<u>226,390</u>			
Operating Transfers				
Transfer from Contingency Reserve Fund		39,982		39,982
Total Cash Receipts	<u>1,636,144</u>	<u>1,456,952</u>	<u>1,457,144</u>	<u>(192)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	171,467			
Other Employee Benefits	13,774		15,000	15,000
General Supplies and Materials		6		(6)
Textbooks	28,887	3,806		(3,806)
Technology Supplies			500	500
Property (Equipment & Furnishings)	27,979	8,077	23,600	15,523
Other	21,815	32,853	35,000	2,147
Total Instruction	<u>263,922</u>	<u>44,742</u>	<u>74,100</u>	<u>29,358</u>
Support Services - Students				
Certified Salaries	14,461			
Other Employee Benefits	840		1,000	1,000
Supplies and Materials	270	470	2,000	1,530
Total Support Services - Students	<u>15,571</u>	<u>470</u>	<u>3,000</u>	<u>2,530</u>
Support Services - Instructional Staff				
Certified Salaries	5,113			
Other Employee Benefits			1,000	1,000
Total Support Services - Instructional Staff	<u>5,113</u>		<u>1,000</u>	<u>1,000</u>
Support Services - General Administration				
Certified Salaries	9,071			
Other Employee Benefits	650		1,000	1,000
Insurance Services	21,141	1,975	23,000	21,025
Other	108		2,000	2,000
Total Support Services - General Administration	<u>30,970</u>	<u>1,975</u>	<u>26,000</u>	<u>24,025</u>
Support Services - School Administration				
Certified Salaries	26,278			
Other Employee Benefits	1,750		2,000	2,000
Total Support Services - School Administration	<u>28,028</u>		<u>2,000</u>	<u>2,000</u>
Support Services - Plant Operation and Maintenance				
Other Employee Benefits	14,186		15,000	15,000
Water/Sewer Services (Non-Energy)	14,289	12,602	16,000	3,398
Cleaning Services	2,666	3,399	3,000	(399)
Repair of Buildings	91,425	102,478		(102,478)
Other Purchased Property Services			2,000	2,000
Insurance Services	41,509	402	42,000	41,598
Other Miscellaneous Purchased Services	2,453	3,710	10,000	6,290
General Supplies and Materials	42,783	37,273	45,000	7,727

Supplemental General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year			
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Heating	\$	44,884	36,402	50,000	13,598
Electricity		187,361	168,246	195,000	26,754
Motor Fuel		4,207	4,895	6,000	1,105
Miscellaneous Supplies			10	500	490
Property (Equipment & Furnishings)		112,136	152,679		(152,679)
Other		8,259	4,953	10,000	5,047
Total Support Services - Plant Operation and Maintenance		566,158	527,049	394,500	(132,549)
Support Services - Business					
Certified Salaries		87,545	83,358	88,500	5,142
Non-Certified Salaries		29,855	26,021	30,000	3,979
Group Insurance			7,896		(7,896)
Social Security Contributions		8,402	8,285	9,000	715
Other Employee Benefits		1,353	326	500	174
Purchased Property Services		10,852	12,297	10,000	(2,297)
Supplies and Materials		12,800	20,975	12,000	(8,975)
Property (Equipment & Furnishings)		24,826	6,406	79,000	72,594
Other		8,942		10,000	10,000
Total Support Services - Business		184,575	165,564	239,000	73,436
Fund Transfers					
Driver Training		2,000			
Food Service		90,000			
Professional Development			7,435	7,435	
Parent Education Program		4,000	4,500	4,700	200
Special Education			152,934	152,934	
Vocational Education		101,271	13,991	13,991	
At Risk (4yr Old)		35,000	39,746	39,746	
At Risk (K-12)		335,517	498,738	498,738	
Total Fund Transfers		567,788	717,344	717,544	200
Total Expenditures and Transfers		1,662,125	1,457,144	1,457,144	
Receipts Over (Under)					
Expenditures and Transfers	(	25,982)	(192)		
Unencumbered Cash, Beginning					
Prior Year Encumbrances Cancelled			192		
Unencumbered Cash, Ending					

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	\$	35,001	39,747	39,746
Total Cash Receipts		<u>35,001</u>	<u>39,747</u>	<u>39,746</u>
Expenditures and Transfers				
Instruction				
Certified Salaries		22,452	20,225	25,000
Non-Certified Salaries		5,291	8,043	6,000
Group Insurance			2,718	(2,718)
Social Security Contributions		2,160	2,060	2,500
Other Employee Benefits		136	68	100
General Supplies and Materials		2,187	470	1,000
Property (Equipment & Furnishings)			2,109	2,500
Total Expenditures and Transfers		<u>32,226</u>	<u>35,693</u>	<u>37,100</u>
Receipts Over (Under)				
Expenditures and Transfers		2,775	4,054	
Unencumbered Cash, Beginning		10,580	13,361	
Prior Year Encumbrances Cancelled		<u>6</u>	<u>4</u>	
Unencumbered Cash, Ending		<u>13,361</u>	<u>17,419</u>	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 278,500	14,845	14,845	
Transfer from Supplemental General Fund	335,517	498,739	498,738	1
Total Cash Receipts	<u>614,017</u>	<u>513,584</u>	<u>513,583</u>	<u>1</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	416,776	350,323	434,845	84,522
Non-Certified Salaries	45,697	42,780	47,000	4,220
Group Insurance		37,623		(37,623)
Social Security Contributions	25,144	24,758	27,000	2,242
Other Employee Benefits	1,408	804	1,600	796
General Supplies and Materials	5,203	29,127		(29,127)
Technology Supplies	19,619			
Property (Equipment & Furnishings)	110,396	1,995		(1,995)
Other	4,576			
Total Instruction	<u>628,819</u>	<u>487,410</u>	<u>510,445</u>	<u>23,035</u>
Support Services - Instructional Staff				
Books and Periodicals	6,320	1,177	6,000	4,823
Total Expenditures and Transfers	<u>635,139</u>	<u>488,587</u>	<u>516,445</u>	<u>27,858</u>
Receipts Over (Under)				
Expenditures and Transfers	(21,122)	24,997		
Unencumbered Cash, Beginning	23,984	2,862		
Unencumbered Cash, Ending	<u>2,862</u>	<u>27,859</u>		

Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	2,012	(619)		(619)
Delinquent Taxes		1,228	607		607
Earnings on Investments		11,618	11,102	15,000	(3,898)
Other Revenue From Local Sources		31,723	22,016	50,000	(27,984)
Total Revenue from Local Sources		<u>46,581</u>	<u>33,106</u>	<u>65,000</u>	<u>(31,894)</u>
Revenue from County Sources					
Motor Vehicle Tax		3,984	4,346		4,346
Recreational Vehicle Tax		108	80		80
Revenue in Lieu of Taxes		193			
Total Revenue from County Sources		<u>4,285</u>	<u>4,426</u>		<u>4,426</u>
Total Cash Receipts		<u>50,866</u>	<u>37,532</u>	<u>65,000</u>	<u>(27,468)</u>
Expenditures and Transfers					
Instruction					
Property (Equipment & Furnishings)		11,366	3,668		(3,668)
Equipment				100,000	100,000
Total Instruction		<u>11,366</u>	<u>3,668</u>	<u>100,000</u>	<u>96,332</u>
Support Services - Students					
Property (Equipment & Furnishings)			3,871		(3,871)
Support Services - Plant Operation and Maintenance					
Property (Equipment & Furnishings)		<u>5,980</u>		200,000	200,000
Student Transportation Services					
Equipment				130,000	130,000
Supervision Services					
Equipment		<u>33,336</u>	<u>10,926</u>		(10,926)
Facilities Acquisition and Construction Services					
Site Improvement Services				200,000	200,000
Building Additions/Service Systems		11,169			
Building Repair and Remodeling		38,055	42,882	100,000	57,118
Total Facilities Acquisition and Construction Services		<u>49,224</u>	<u>42,882</u>	<u>300,000</u>	<u>257,118</u>
Total Expenditures and Transfers		<u>99,906</u>	<u>61,347</u>	<u>730,000</u>	<u>668,653</u>
Receipts Over (Under)					
Expenditures and Transfers	(	49,040)	(23,815)		
Unencumbered Cash, Beginning		<u>1,009,640</u>	<u>960,600</u>		
Unencumbered Cash, Ending		<u>960,600</u>	<u>936,785</u>		

Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Other Revenue From Local Sources	\$	2,045	3,198	2,036	1,162
Revenue from State Sources					
State Financial Aid		1,650	1,554	1,470	84
Operating Transfers					
Transfer from Supplemental General Fund		2,000			
Total Cash Receipts		5,695	4,752	3,506	1,246
Expenditures and Transfers					
Instruction					
Certified Salaries		3,710	4,585	6,000	1,415
Non-Certified Salaries				500	500
Social Security Contributions		284	242	500	258
Other Employee Benefits		42	46	100	54
Miscellaneous Supplies				100	100
Property (Equipment & Furnishings)				500	500
Other		50		100	100
Total Instruction		4,086	4,873	7,800	2,927
Vehicle Operation and Maintenance Services					
Motor Fuel		647	402	1,000	598
Other				500	500
Total Vehicle Operation and Maintenance Services		647	402	1,500	1,098
Total Expenditures and Transfers		4,733	5,275	9,300	4,025
Receipts Over (Under)					
Expenditures and Transfers		962	(523)		
Unencumbered Cash, Beginning		4,832	5,794		
Unencumbered Cash, Ending		5,794	5,271		

Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

			Current Year		
			Prior Year Actual	Current Year Actual	Budget
					Variance Favorable (Unfavor)
Cash Receipts					
Revenue from Local Sources					
Student Sales	\$	106,295	97,471	135,389	(37,918)
Adults and Non-Reimbursable Programs		15,534	14,689	13,062	1,627
Miscellaneous		2,828	1,909		1,909
Total Revenue from Local Sources		<u>124,657</u>	<u>114,069</u>	<u>148,451</u>	<u>(34,382)</u>
Revenue from State Sources					
State Financial Aid		<u>4,364</u>	<u>4,145</u>	<u>4,151</u>	<u>(6)</u>
Revenue from Federal Sources					
Passed Through State of Kansas		<u>267,658</u>	<u>257,507</u>	<u>239,418</u>	<u>18,089</u>
Operating Transfers					
Transfer from General Fund			51,702		51,702
Transfer from Supplemental General Fund		90,000			
Total Operating Transfers		<u>90,000</u>	<u>51,702</u>		<u>51,702</u>
Total Cash Receipts		<u>486,679</u>	<u>427,423</u>	<u>392,020</u>	<u>35,403</u>
Expenditures and Transfers					
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		2,000	2,000	3,000	1,000
Social Security Contributions		121	124	200	76
Other Employee Benefits		5	5		(5)
Water/Sewer Services (Non-Energy)		753	779	1,000	221
Heating		2,362	2,340	3,000	660
Electricity		9,861	10,424	11,000	576
Other			429		(429)
Total Support Services - Plant Operation and Maintenance		<u>15,102</u>	<u>16,101</u>	<u>18,200</u>	<u>2,099</u>
Operation of Non-Instruction Services					
Other Miscellaneous Purchased Services			18,271		(18,271)
Food Service Operations					
Non-Certified Salaries		144,800	117,444	165,000	47,556
Group Insurance			21,725		(21,725)
Social Security Contributions		9,110	8,297	12,000	3,703
Other Employee Benefits		7,480	7,446	7,600	154
Other Miscellaneous Purchased Services		25			
Supplies and Materials			299		(299)
Food and Milk		227,885	219,908	250,000	30,092
Miscellaneous Supplies		27,289	11,591	30,000	18,409
Property (Equipment & Furnishings)		13,661	13,270	16,663	3,393
Other		<u>2,165</u>	<u>6,608</u>	<u>4,000</u>	<u>(2,608)</u>
Total Food Service Operations		<u>432,415</u>	<u>406,588</u>	<u>485,263</u>	<u>78,675</u>
Total Expenditures and Transfers		<u>447,517</u>	<u>440,960</u>	<u>503,463</u>	<u>62,503</u>
Receipts Over (Under)					
Expenditures and Transfers		39,162	(13,537)		
Unencumbered Cash, Beginning		<u>72,281</u>	<u>111,443</u>		
Unencumbered Cash, Ending		<u>111,443</u>	<u>97,906</u>		

Unified School District No. 461
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 11 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 75			
Operating Transfers				
Transfer from General Fund	8,001			
Transfer from Supplemental General Fund		7,435	7,435	
Total Operating Transfers	8,001	7,435	7,435	
Total Cash Receipts	8,076	7,435	7,435	
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries	1,238	4,800	(	4,800)
Non-Certified Salaries			3,500	3,500
Social Security Contributions	95	367	225	(142)
Other Employee Benefits	5	19	(	19)
Purchased Professional and Technical Services			550	550
Other Purchased Services	5,934	1,964	8,280	6,316
Other Miscellaneous Purchased Services		275	(	275)
Miscellaneous Supplies	73	114	400	286
Other	49	30	50	20
Total Expenditures and Transfers	7,394	7,569	13,005	5,436
Receipts Over (Under)				
Expenditures and Transfers	682	(	134)	
Unencumbered Cash, Beginning	4,889	5,571		
Unencumbered Cash, Ending	5,571	5,437		

Unified School District No. 461
 Parent Education Program Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

Schedule 2
 Page 12 of 24

For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	\$	4,000	4,500	4,700
Total Cash Receipts		<u>4,000</u>	<u>4,500</u>	<u>4,700</u>
Expenditures and Transfers				
Support Services - Students				
LEA Payments to COOP (Local Share)		3,900	4,400	5,000
Total Expenditures and Transfers		<u>3,900</u>	<u>4,400</u>	<u>5,000</u>
Receipts Over (Under)				
Expenditures and Transfers		100	100	
Unencumbered Cash, Beginning		<u>200</u>	<u>300</u>	
Unencumbered Cash, Ending		<u>300</u>	<u>400</u>	

Special Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 767,270	581,025	581,025	
Transfer from Supplemental General Fund		152,934	152,934	
Total Cash Receipts	<u>767,270</u>	<u>733,959</u>	<u>733,959</u>	
Expenditures and Transfers				
Instruction				
Certified Salaries	5,932	6,009	10,000	3,991
Group Insurance			500	500
Social Security Contributions	454	460	25	(435)
Other Employee Benefits	24	15		(15)
LEA Payments to COOP (Local Share)	264,648	242,881	270,415	27,534
LEA Payments to COOP (Flowthrough)	479,582	507,599	526,500	18,901
Other Miscellaneous Purchased Services	154	12		(12)
General Supplies and Materials	13	11		(11)
Miscellaneous Supplies	2,539	2,974	3,000	26
Property (Equipment & Furnishings)	36		2,000	2,000
Other	911	325		(325)
Total Instruction	<u>754,293</u>	<u>760,286</u>	<u>812,440</u>	<u>52,154</u>
Vehicle Operation Services				
Non-Certified Salaries	6,180	3,216	6,500	3,284
Social Security Contributions	374	235	500	265
Other Employee Benefits	18	8		(8)
Insurance Services	820	1,218		(1,218)
Other Miscellaneous Purchased Services			1,000	1,000
Motor Fuel	1,642	1,896	3,000	1,104
Total Vehicle Operation Services	<u>9,034</u>	<u>6,573</u>	<u>11,000</u>	<u>4,427</u>
Total Expenditures and Transfers	<u>763,327</u>	<u>766,859</u>	<u>823,440</u>	<u>56,581</u>
Receipts Over (Under)				
Expenditures and Transfers	3,943	(32,900)		
Unencumbered Cash, Beginning	<u>85,538</u>	<u>89,481</u>		
Unencumbered Cash, Ending	<u>89,481</u>	<u>56,581</u>		

Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$		537	537
Revenue from Federal Sources				
Passed Through State of Kansas		4,928	3,150	3,150
Operating Transfers				
Transfer from General Fund		74,729	224,993	224,994 (1)
Transfer from Supplemental General Fund		101,271	13,991	13,991
Total Operating Transfers		176,000	238,984	238,985 (1)
Total Cash Receipts		180,928	242,671	238,985 3,686
Expenditures and Transfers				
Instruction				
Certified Salaries		180,256	174,547	200,000 25,453
Group Insurance			16,102	(16,102)
Social Security Contributions		12,354	13,040	13,000 (40)
Other Employee Benefits		653	450	500 50
General Supplies and Materials		57		
Textbooks		5,352	1,107	5,000 3,893
Technology Supplies				5,000 5,000
Property (Equipment & Furnishings)		9,286	3,470	15,000 11,530
Equipment			3,650	(3,650)
Other		30		5,000 5,000
Total Expenditures and Transfers		207,988	212,366	243,500 31,134
Receipts Over (Under)				
Expenditures and Transfers	(	27,060)	30,305	
Unencumbered Cash, Beginning		31,538	4,478	
Unencumbered Cash, Ending		4,478	34,783	

Unified School District No. 461
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 15 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 178,394	471,887	397,484	74,403
Total Cash Receipts	<u>178,394</u>	<u>471,887</u>	<u>397,484</u>	<u>74,403</u>
Expenditures and Transfers				
Instruction				
Employee Benefits	<u>228,467</u>	<u>262,636</u>	<u>262,738</u>	<u>102</u>
Support Services - Students				
Employee Benefits	<u>16,245</u>	<u>18,675</u>	<u>18,682</u>	<u>7</u>
Support Services - Instructional Staff				
Employee Benefits	<u>10,369</u>	<u>11,920</u>	<u>11,924</u>	<u>4</u>
Support Services - General Administration				
Employee Benefits	<u>13,134</u>	<u>15,099</u>	<u>15,104</u>	<u>5</u>
Support Services - School Administration				
Employee Benefits	<u>34,564</u>	<u>39,733</u>	<u>39,749</u>	<u>16</u>
Support Services - Plant Operation and Maintenance				
Employee Benefits	<u>21,775</u>	<u>25,032</u>	<u>25,041</u>	<u>9</u>
Student Transportation Services				
Employee Benefits	<u>3,456</u>	<u>3,973</u>	<u>3,974</u>	<u>1</u>
Support Services - Business				
Employee Benefits	<u>7,259</u>	<u>8,344</u>	<u>8,348</u>	<u>4</u>
Food Service Operations				
Employee Benefits	<u>10,369</u>	<u>11,920</u>	<u>11,924</u>	<u>4</u>
Total Expenditures and Transfers	<u>345,638</u>	<u>397,332</u>	<u>397,484</u>	<u>152</u>
Receipts Over (Under)				
Expenditures and Transfers	(167,244)	74,555		
Unencumbered Cash, Beginning		(167,244)		
Beginning Balance Adjustment		(116,847)		
Unencumbered Cash, Ending	<u>(167,244)</u>	<u>(209,536)</u>		

Unified School District No. 461
Contingency Reserve Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 16 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$ 100,000	
Total Cash Receipts	<u>100,000</u>	
Expenditures and Transfers		
Fund Transfers		
Supplemental General		39,982
Total Expenditures and Transfers		<u>39,982</u>
Receipts Over (Under)		
Expenditures and Transfers	100,000	(39,982)
Unencumbered Cash, Beginning	<u>170,390</u>	<u>270,390</u>
Unencumbered Cash, Ending	<u><u>270,390</u></u>	<u><u>230,408</u></u>

Unified School District No. 461
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 17 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	60,821	47,134	54,854	(7,720)
Delinquent Taxes		593	1,110	1,036	74
Motor Vehicle Tax				6,335	(6,335)
Revenue in Lieu of Taxes				254	(254)
Total Revenue from Local Sources		<u>61,414</u>	<u>48,244</u>	<u>62,479</u>	<u>(14,235)</u>
Revenue from County Sources					
Motor Vehicle Tax		3,751	5,717		5,717
Recreational Vehicle Tax		101	129	134	(5)
Revenue in Lieu of Taxes		434	311		311
Total Revenue from County Sources		<u>4,286</u>	<u>6,157</u>	<u>134</u>	<u>6,023</u>
Total Cash Receipts		<u>65,700</u>	<u>54,401</u>	<u>62,613</u>	<u>(8,212)</u>
Expenditures and Transfers					
Community Services Operations					
Other		58,000	58,000	58,000	
Total Expenditures and Transfers		<u>58,000</u>	<u>58,000</u>	<u>58,000</u>	
Receipts Over (Under)					
Expenditures and Transfers		7,700	(3,599)		
Unencumbered Cash, Beginning		<u>894</u>	<u>8,594</u>		
Unencumbered Cash, Ending		<u>8,594</u>	<u>4,995</u>		

Unified School District No. 461
Technology Literacy Challenge (Title II-D) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 18 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 4,722	553
Total Cash Receipts	<u>4,722</u>	<u>553</u>
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	1,163	150
General Supplies and Materials	1,042	403
Property (Equipment & Furnishings)	2,517	
Total Expenditures and Transfers	<u>4,722</u>	<u>553</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	_____	_____
Unencumbered Cash, Ending	=====	=====

Unified School District No. 461
Special Mini-Grants Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 19 of 24

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 322	694
Revenue from State Sources		
Supplies and Materials		3,000
Revenue from Federal Sources		
Passed Through State of Kansas	9,400	524
Total Cash Receipts	9,722	4,218
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services		837
General Supplies and Materials	322	694
Miscellaneous Supplies	9,299	625
Equipment		384
Total Expenditures and Transfers	9,621	2,540
Receipts Over (Under)		
Expenditures and Transfers	101	1,678
Unencumbered Cash, Beginning		101
Unencumbered Cash, Ending	101	1,779

Unified School District No. 461
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 20 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 165,269	163,361
ARRA Grant	44,625	
Total Cash Receipts	<u>209,894</u>	<u>163,361</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	107,560	68,714
Non-Certified Salaries	69,266	58,321
Group Insurance		17,433
Social Security Contributions	11,806	9,559
Other Employee Benefits	587	322
Purchased Professional and Technical Services	20,510	9,012
General Supplies and Materials	165	
Total Expenditures and Transfers	<u>209,894</u>	<u>163,361</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u> </u>	<u> </u>

Unified School District No. 461
Improving Teacher Quality (Title II-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 21 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 46,769	46,795
Total Cash Receipts	<u>46,769</u>	<u>46,795</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	39,488	34,977
Group Insurance		4,620
Social Security Contributions	2,513	2,438
Other Employee Benefits	133	80
Purchased Professional and Technical Services		394
Other Purchased Services	4,635	4,286
Total Expenditures and Transfers	<u>46,769</u>	<u>46,795</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	_____	_____
Unencumbered Cash, Ending	=====	=====

Unified School District No. 461
English Language Acquisition - Title III Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 22 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	44,351
Total Cash Receipts		44,351
Expenditures and Transfers		
Instruction		
Certified Salaries		20,225
Non-Certified Salaries		3,994
Group Insurance		2,718
Social Security Contributions		1,456
Other Employee Benefits		36
Other Purchased Services		11,924
General Supplies and Materials		3,998
Total Expenditures and Transfers		44,351
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 461
Drug-Free Schools (Title IV-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 23 of 24

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 2,849	
Total Cash Receipts	<u>2,849</u>	
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	500	
General Supplies and Materials	<u>2,349</u>	
Total Expenditures and Transfers	<u>2,849</u>	
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

			Current Year	
			Prior Year Actual	Variance Favorable (Unfavor)
			Current Year Actual	Budget
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$	209,178	232,644	251,986 (19,342)
Delinquent Taxes		4,864	4,619	3,562 1,057
Total Revenue from Local Sources		214,042	237,263	255,548 (18,285)
Revenue from County Sources				
Motor Vehicle Tax		18,846	18,469	20,420 (1,951)
Recreational Vehicle Tax		465	422	434 (12)
Revenue in Lieu of Taxes		1,438	1,536	822 714
Total Revenue from County Sources		20,749	20,427	21,676 (1,249)
Revenue from State Sources				
State Financial Aid		153,872	129,738	129,738
Total Cash Receipts		388,663	387,428	406,962 (19,534)
Expenditures and Transfers				
Debt Service				
Interest (Coupons)		69,681	61,583	61,582 (1)
Other Miscellaneous Expenditures				150 150
Redemption of Principal		315,000	320,000	320,000
Total Expenditures and Transfers		384,681	381,583	381,732 149
Receipts Over (Under)				
Expenditures and Transfers		3,982	5,845	
Unencumbered Cash, Beginning		217,233	221,215	
Unencumbered Cash, Ending		221,215	227,060	

Unified School District No. 461
Neodesha, Kansas
Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
High School:				
Art Honor Society	\$ 633	1,514	1,808	339
Band Club	909	8,002	6,461	2,450
Business Ed Club	902	1,637	945	1,594
Cheer Squad	279	8,665	8,465	479
Chorus Club	1,698	2,570	3,925	343
Chorus Scholarship Fund	629	355	400	584
Cheerleaders Jr Hi	3,260	5,744	6,310	2,694
Class of 2008	797			797
Class of 2009	304			304
Class of 2010	115			115
Class of 2011	3,974	9,130	13,083	21
Class of 2012	4,286	7,498	7,004	4,780
Class of 2013	456	4,733	1,699	3,490
Class of 2014	207			207
Class of 2015	242			242
Class of 2016		306	30	276
Dance Team	1,151	846	1,625	372
Drama Club	1,168	5,154	4,835	1,487
F.C.A.	822	2,349	3,000	171
F.F.A.	1,018	50,765	50,335	1,448
FFA Scholarship Fund	2,864	20	550	2,334
FBLA	197	1,072	1,140	129
FCCLA., Jr.	2,007	3,148	3,779	1,376
FCCLA., Sr.	1,036	7,857	7,618	1,275
Flag Corp	766	134		900
Fund-It Program	718			718
Library Club	452	694	820	326
Mass Media	262		12	250
National Honor Society	161	893	974	80
Neodesha Chess Club		439	397	42
Shop Club	1,521	1,020	1,199	1,342
Stuco, Jr.	2,049	970	1,158	1,861
Stuco, Sr.	759	5,187	4,918	1,028
Student Fund Org.	1,692	4,581	3,560	2,713
Weight Room	269		269	-
Total Student Organizations	<u>37,603</u>	<u>135,283</u>	<u>136,319</u>	<u>36,567</u>
Other Agency Funds:				
Sales Tax	<u>396</u>	<u>9,540</u>	<u>9,699</u>	<u>237</u>
Total Other Agency Funds	<u>396</u>	<u>9,540</u>	<u>9,699</u>	<u>237</u>
Total Agency Funds	<u><u>37,999</u></u>	<u><u>144,823</u></u>	<u><u>146,018</u></u>	<u><u>36,804</u></u>

Neodesha, Kansas

District Activity Funds

Statement of Receipts, Expenditures and Unencumbered Cash

For the Year Ended June 30, 2011

	<u>Fund</u>	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>							
High School:							
Athletics		2,193	41,413	34,482	9,124		9,124
Subtotal Gate Receipts		2,193	41,413	34,482	9,124	-	9,124
<u>Special Projects:</u>							
High School:							
Annual		4,991	6,512	6,496	5,007		5,007
Bluestreak Greenhouse		15,439	11,557	8,570	18,426		18,426
Total High School		20,430	18,069	15,066	23,433	-	23,433
North Lawn Elementary:							
G & W Fund		1,200	582	717	1,065		1,065
Pencil		40			40		40
6th / Prom		670	1,130	1,256	544		544
Worlds Fair		3	306		309		309
Field		270			270		270
Market		25	500	504	21		21
Other		185	1,504		1,689		1,689
Planner		55			55		55
Picture		9			9		9
Pop		778	415		1,193		1,193
SFA/FS		206	179	35	350		350
Box Tops		640	157		797		797
Total North Lawn		4,081	4,773	2,512	6,342	-	6,342
Heller Elementary:							
Amazon		-			-		-
ASD		-			-		-
Box Tops		333	313	156	490		490
G & W Fund		1,719	1,185	645	2,259		2,259
Heller Hut		18	500	518	-		-
Other		2,410	2,441	2,183	2,668		2,668
Weekly Reader		533	1,163	1,222	474		474
Total Heller Elementary		5,013	5,602	4,724	5,891	-	5,891
Subtotal Special Projects		29,524	28,444	22,302	35,666	-	35,666
Total District Activity Funds		31,717	69,857	56,784	44,790	-	44,790

Unified School District No. 461
Neodesha, Kansas
Reconciliation of Expenditures
For the Year Ended June 30, 2011

Total Expenditures per Financial Statement	\$ 9,448,604
Plus Non Budgeted Funds:	
Contingency Reserve	39,982
Title I	163,361
Gate Receipts	34,482
Special Projects	22,303
Improving Teacher Quality	46,795
Special Mini Grants	2,540
Technology Literacy Grant	553
English Language Acquisition	<u>44,351</u>
Total Expenditures per Schedule 1	<u>9,802,971</u>

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Board of Education
Neodesha Unified School District No. 461
Neodesha, Kansas

We have audited the financial statements of Neodesha Unified School District No. 461 as of and for the year ended June 30, 2011, and have issued our report thereon dated February 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Neodesha Unified School District No. 461's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Neodesha Unified School District No. 461's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Neodesha Unified School District No. 461's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Neodesha Unified School District No. 461's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body and management of Neodesha Unified School District No. 461, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns, L.L.C.

February 1, 2012

**Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program and Internal
Control Over Compliance in Accordance with OMB Circular A-133**

Board of Education
Neodesha Unified School District No. 461
Neodesha, Kansas

Compliance

We have audited Neodesha Unified School District No. 461's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Neodesha Unified School District No. 461's major federal programs for the year ended June 30, 2011. Neodesha Unified School District No. 461's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Neodesha Unified School District No. 461's management. Our responsibility is to express an opinion on Neodesha Unified School District No. 461's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Neodesha Unified School District No. 461's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Neodesha Unified School District No. 461's compliance with those requirements.

In our opinion, Neodesha Unified School District No. 461 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Neodesha Unified School District No. 461 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Neodesha Unified School District No. 461's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Neodesha Unified School District No. 461's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type

of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the governing body and management of Neodesha Unified School District No. 461, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

February 1, 2012

Unified School District No. 461
Neodesha, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statement of Unified School District No. 461 .
2. No reportable conditions were disclosed during the audit of the financial statements
3. No instances of noncompliance material to the financial statements of Unified School District No. 461 were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 461 expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Unified School District No. 461 are reported.
7. The programs tested as major programs included:

10.553/9	Child Nutrition Cluster
84.410	Education Jobs Fund
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 461 was determined to be a high-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

(None Reported)

C. FEDERAL AWARD FINDINGS and QUESTIONED COSTS

(None Reported)

Unified School District No. 461
Neodesha, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture		
Passed through Kansas State Department of Education		
School Breakfast Program	10.553	58,605 (1) (2)
National School Lunch Program	10.555	180,337 (1) (2)
Summer Food Service Program	10.559	17,924 (1) (2)
Team Nutrition Training Grant	10.574	910 (1) (2)
Total U.S. Department of Agriculture		<u>257,776</u>
U.S. Department of Education		
Passed through Kansas State Department of Education		
ESEA Title I (Low Income) Aid	84.010	163,360
Character Education Initiative	84.215	3,470
Technology Literacy (Title II-D)	84.318	553
Improving Teacher Quality (Title II-A)	84.367	46,795
Title III English Language Acquisition	84.389	44,350
State Fiscal Stabilization Fund	84.394	94,687
Education Jobs Fund	84.410	165,797 (1)
Total U.S. Department of Education		<u>519,012</u>
Total Expenditures of Federal Awards		<u><u>776,788</u></u>

(1) These programs were considered as major programs.

(2) These programs are treated as a cluster

(3) The School District follows the statutory basis of accounting in preparing this schedule.

This method is consistent with the method used in the preparation of the School District's financial statements.